



Annual Report
2012-2013

Service New Brunswick Annual Report
2012-2013

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September 20, 2013

Honourable Sue Stultz
Minister responsible for Service New Brunswick
Province of New Brunswick
Fredericton, New Brunswick

Dear Minister Stultz:

On behalf of the Board of Directors, I have the pleasure to submit the Annual Report of Service New Brunswick for the fiscal year ended March 31, 2013.

Sincerely,

A handwritten signature in dark ink, appearing to read "Luc St-Jarre", is positioned below the word "Sincerely,".

Luc St-Jarre
Chairperson of the Board of Directors

Board of Directors

Luc St-Jarre (Chairperson), Saint-Jacques

Brian Baxter, Shediac Cape

Donna M. Bovolaneas, Beaver Harbour

Gildard Chiasson, Bertrand

Christopher P. MacPherson, Fredericton

Paul J. Palmer, Quispamsis

Michèle Pelletier, Balmoral

Earl R. Robinson, Upper Kingsclear

T.J. Smith, Fredericton

Pamela Trites, Rothesay

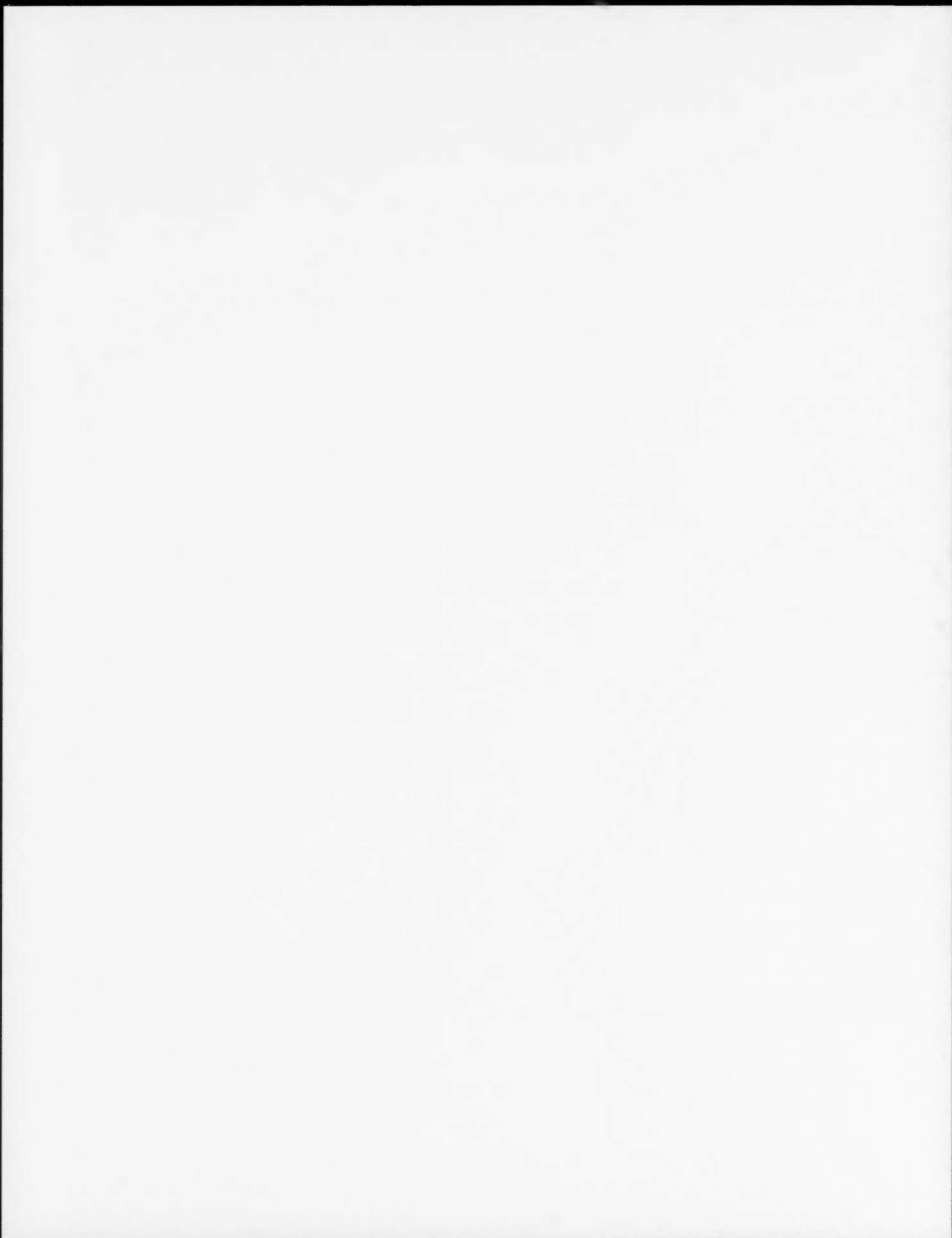
Sylvie Levesque-Finn (President of Service New Brunswick), Fredericton

Left-to-right: Paul J. Palmer, Michèle Pelletier, Brian Baxter, Donna M. Bovolaneas, Luc St-Jarre, Pamela Trites, T.J. Smith, Earl R. Robinson, Gildard Chiasson, Sylvie Levesque-Finn, Christopher P. MacPherson



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President's Report 2012-2013

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ANNUAL REPORT 2012-2013

On behalf of the management and staff at Service New Brunswick, I am pleased to present our 2012-2013 Annual Report. This report summarizes Service New Brunswick's progress and accomplishments during the past year.

In 2012-2013 we welcomed four new members to our Board of Directors including Paul J. Palmer, Pamela Trites, Earl R. Robinson and our new Board Chair, Luc St-Jarre. I want to take this opportunity to thank our departing board members for their valued contribution and support, Jim Dunlap, Jane M. Fritz, Alfred Losier and our outgoing Board Chair, Derek Pleadwell.

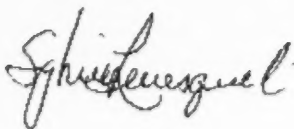
I am extremely proud of our accomplishments in the past year. Service New Brunswick is fortunate to have dedicated employees who make significant contributions to our organization every single day. Together, we are building a culture of continuous improvement, thereby contributing in a significant way to Government's focus on performance excellence.

In keeping with our commitment to service excellence and innovation, some highlights from 2012-2013 include:

- Conducted the semi-annual customer survey, which continues to provide insight from a customer perspective and indicates high overall satisfaction with our service;
- Introduced a mobile-friendly interface to enhance electronic motor vehicle registration renewals;
- Received the Award of Excellence from Esri Canada, a leading provider of Geographical Information Solutions, for launching GeoNB as a single gateway for collecting and organizing high-quality geographic information, mapping applications and technical information;
- Completed process improvement projects in our service centres that resulted in significant cost savings and improved staff utilization rates;
- Successfully completed the implementation of a modern, web-based property assessment application known as EvAN that replaced our legacy mainframe application known as PATS, which was in operation since 1984;
- Collaborated with the Departments of Environment and Local Government, and Finance in improving New Brunswick's tax system.

I trust you will find this annual report informative. To find out more information on Service New Brunswick please visit us at SNB.ca

Sincerely,



Sylvie Levesque-Finn

About Service New Brunswick

Since 1998, Service New Brunswick (the "Corporation") has been committed to continually improving access to government services and public information through our single-window service model.

New Brunswickers count on us for quick and convenient access to government transactional services through our service centres in 39 communities across the province, our toll-free call centre (1-888-762-8600) and our website (www.snb.ca).

At the end of fiscal 2012-2013, the Corporation employed 695 people in 39 communities, of which 587 are full-time and 108 are part-time. Our employees make it happen every day - rising to the challenge of delivering service excellence in every interaction with our customers, the citizens and businesses of New Brunswick.



Mission

Providing excellence in the delivery of government services to citizens and businesses.

Corporate Brand

Service excellence; innovation and continuous improvement; collaboration and teamwork...we make it happen.

Governance

The *Service New Brunswick Act* provides the context for the activities of the Corporation. Service New Brunswick is the principal provider of customer service on behalf of government. These services are offered through physical offices, telephone and electronic channels. Service New Brunswick also administers a number of acts on behalf of the province.

A Board of Directors guides the business of the Corporation. There are two committees of the Board of Directors: the Audit Committee monitors the financial affairs and reviews the financial statements of the Corporation and the Development Committee oversees new system development.

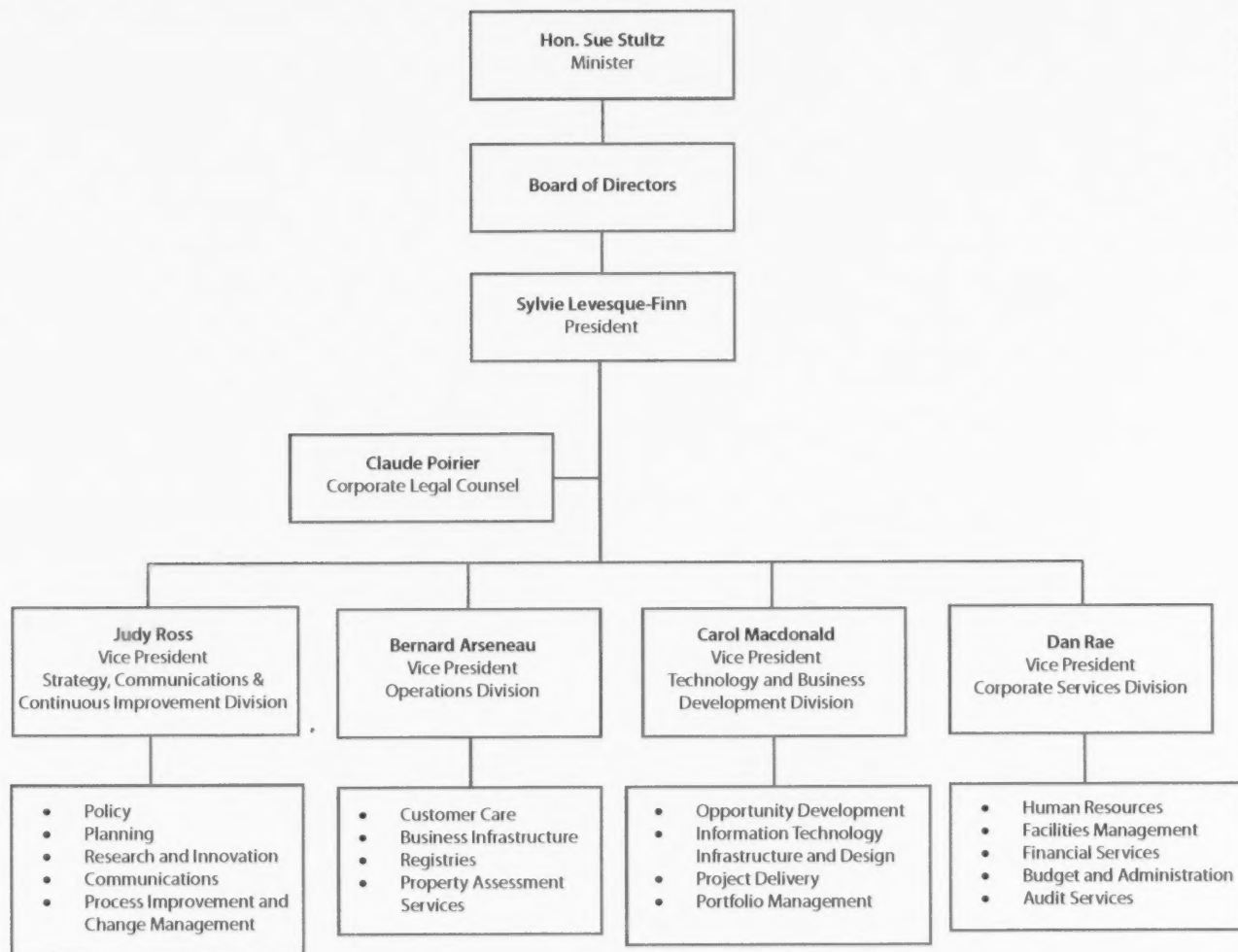
Revenues are acquired through a combination of fees for services in the Land, Personal Property, Vital Statistics and Corporate registries, payments from the Government of New Brunswick ("GNB") and municipalities, funding which GNB provides to deliver services on its behalf, and sales of products and services.

Service New Brunswick continues to look at improving business processes and service delivery to make it easier for citizens and businesses to access government services.

Organization Chart

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Customer Care

Service New Brunswick is the gateway for the public to a number of government services offered through a multichannel service delivery network. Services are offered to citizens on behalf of various provincial government departments and municipalities. Convenience to the customer is a key factor in service delivery. To meet New Brunswickers' expectations, Service New Brunswick offers three channels of delivery:

- in person, through a network of 39 service centres, located throughout the province;
- over the phone (TeleServices), toll-free at 1-888-762-8600; and
- on the Internet at www.snb.ca.

A wide range of services are delivered on behalf of various government departments and agencies including the federal government. We also accept payments on behalf of 62 municipalities. Our services include:

- Motor Vehicle: driver's licenses, registration, placards for disabled persons;
- Recreation: hunting and fishing licenses, online tickets for some major attractions;
- Government Forms: Medicare, lottery registration;
- Federal Government: pleasure craft licensing; and
- Municipalities: water and sewage payments.

Service Centres

With a network of 39 service centres located throughout the province, Service New Brunswick offers citizens and businesses a combination of personalized service and convenient hours. Each service centre offers the most common services, while 13 of the centres provide the full range of services.

TeleServices

TeleServices is the Corporation's customer phone centre. Citizens and businesses can access services

by calling toll-free 1-888-762-8600. TeleServices also replies to incoming emails from the Service New Brunswick Internet site and the Internet-based Provincial Government Directory. Four main types of services are offered over the phone:

- information and referrals;
- transactions;
- support to automated phone lines; and
- driver examination appointments.

SNB Online

The Service New Brunswick website offers numerous products and services, as well as online forms including applications for birth certificates, property tax allowances and Medicare change request, replacement and/or renewal forms. A number of forms from various municipalities are also available on the website.

Key highlights for the year:

- Several Lean Six Sigma process improvement projects were launched in the service centres, resulting in significant cost savings and increased staff utilization rates. One project focused on better alignment of staff schedules to actual customer demand. The other focused on the concept of "flex work" whereby back office work is redirected to service centres with low volume transactions to maximize capacity.
- Many "waste walk" process improvement projects were initiated by staff and local managers throughout the province, further contributing to a continuous process improvement culture within Service New Brunswick.
- The balanced scorecard was cascaded to service centres and land registry.

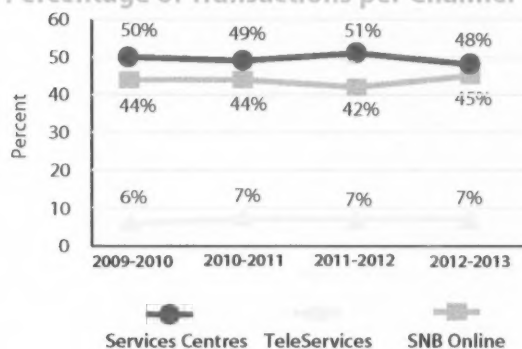
Service Delivery Transactions

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Volume by Partner	2012-2013	2011-2012	2010-2011
Provincial, Federal and Municipal include:			
Provincial: All Government Departments			
Federal: Pleasure Craft Licensing	2,466,482	2,637,108	2,619,352
Municipalities: 62 to date			
Service New Brunswick:			
Property Assessment Services, Corporate Registry, Personal Property Registry, Land Registry, Rentalsman, Vital Statistics and	2,417,035	2,407,976	2,423,792
Service New Brunswick Products			
Other Partners:			
Payment taking for NB Power, Bell Aliant	136,984	152,227	155,277
Regional Health Authorities, WorkSafeNB and others			
Total Transactions:	5,020,501	5,197,311	5,198,421

Percentage of Transactions per Channel



Office of the Rentalsman

The Office of the Rentalsman provides an alternative dispute resolution program outside of the traditional court process. The Rentalsman is appointed to carry out duties prescribed by the *Residential Tenancies Act*.

The activities of the Office of the Rentalsman include:

- being the only jurisdiction in Canada that holds, in trust, all security deposits paid by tenants pursuant to a residential tenancy lease;
- mediating mutual agreements or, where mediation is not possible, arbitrating disputes between parties regarding the disbursement of security deposits;
- mediating or arbitrating complaints by both landlords and tenants regarding breach of a tenancy agreement or failure to adhere to the *Residential Tenancies Act*; and

- providing information with regards to residential tenancies.

Key highlights for the year:

- Provided landlords and tenants with general tenancy information through trained TeleServices agents and service centre representatives who received, on average, over 1,700 requests for information per month, an increase of approximately 200 calls per month. Escalated requests for information were answered within the service standard of 24 hours or less by the Office of the Rentalsman staff.
- Accepted 12,866 security deposits. As of March 31, 2013, security deposits held in trust by the Office of the Rentalsman amounted to \$20,800,000, an increase of 4.9% over the previous year.
- The Office of the Rentalsman processed 6,900 applications for the return of security deposit, of which 2,900 were submitted directly online.
- A total of 5,500 claims against a security deposit were submitted by landlords.
- The Office of the Rentalsman received 2,668 applications for assistance or disputed claims alleging that either party failed in his or her obligations under a tenancy agreement.

Registries

Service New Brunswick is responsible for Land, Personal Property, Corporate and Vital Statistics registries, as well as Condominiums. The activities for these four Registries and Condominiums include:

Land Registry

- maintaining a network of 13 Land Registry offices across the province where legal plans and documents – deeds, mortgages and wills – relating to the ownership of real property can be registered and made available for public scrutiny;
- offering registry records which provide land ownership information dating back to the original Crown grants over 200 years ago;
- allowing users to conduct land-based transactions quickly, efficiently and accurately through PLANET – a comprehensive, integrated online source of land registration, assessment, mapping, and information services;
- maintaining a province-wide Global Positioning System-based high precision control survey network; and
- maintaining a series of continuously operating Global Positioning System stations (Active Control Stations), which provide observations on an hourly basis via the Service New Brunswick website.

Personal Property Registry

- maintaining a computerized, province-wide registry service where users can serve public notice of their security interests, judgments and other claims affecting personal property, such as automobiles, recreational vehicles, furniture and business inventory; and
- providing citizens and businesses the opportunity to determine if there is a registered security interest on a personal property by providing the means to search the Personal Property Registry:
 - primarily through the Atlantic Canada Online portal; and
 - through Service New Brunswick's Lien Check service for specific instances in relation to serial number searches.

Corporate Registry

- incorporating New Brunswick-based business corporations and non-profit companies, and registering partnerships and business names under which sole proprietorships and partnerships operate;
- registering extra-provincial corporations and businesses conducting business in New Brunswick;
- maintaining publicly available, up-to-date information on business and non-profit corporations and unincorporated business entities;
- allowing Internet users to access information on past and existing businesses and non-profit companies; and
- assigning the New Brunswick Account Business Number through the incorporation/registration process. The Business Number is a unique common identifier that can be used for provincial, federal and municipal services.

Vital Statistics Registry

- registering, maintaining, verifying and disseminating birth, death, stillbirth, and marriage data (vital events);
- searching records, issuing certificates of a vital event, distributing marriage licenses, approving and registering changes of name;
- registering and maintaining an index of churches/religions authorized to solemnize marriages in New Brunswick; and
- producing various statistical reports based on vital events.

Condominiums

- administering the *Condominium Property Act* and setting out the rules for developing, operating and managing condominiums in New Brunswick;
- providing approval for condominium corporations incorporated under the *Condominium Property Act*; and
- accepting information on reserve funds, insurance and directors, filed by condominium corporations.

Key highlights for the year:

- The Land Registry made changes to the PLANET system and to regulations under the *Land Titles Act* for the implementation of three new electronic document forms planned for release in the next year.
- The Personal Property Registry was updated to accept the entry of an optional email address for secured parties and to provide the option to receive Notice to Secured Party reports via email.
- *An Act to Amend An Act Respecting Vital Statistics* was enacted December 20, 2012 to provide more authority for the Registrar-General to exercise discretion in issuing marriage and birth certificates in situations where not being able to do so would create undue hardship.
- Proclamation of amending legislation to the *Vital Statistics Act*, *Change of Name Act* and the *Marriage Act* occurred on March 31, 2013 along with enactment of supporting amending regulations. These amendments clarified naming standards, improved information security, facilitated electronic record keeping and made necessary administrative updates.

Registries Statistics

Activity	2012-2013	2011-2012	2010-2011	2009-2010	2008-2009
Land Registry					
Registrations	98,041	107,102	111,468	109,959	110,683
Searches	37,159	39,573	42,554	46,841	45,723
Certificates of Registered Ownership Sold	26,477	27,581	27,603	30,565	31,582
Personal Property Registry					
Registrations	143,529	134,356	127,003	126,938	126,897
Searches	57,750	54,873	54,263	54,980	50,189
Corporate Registry					
Incorporations	2,503	2,546	2,547	2,612	2,865
Registrations	3,102	3,108	3,334	3,073	3,150
Annual Returns	37,228	37,243	35,848	35,718	35,147
Certificate of Status / Certified Copies	4,279	4,515	4,210	4,257	4,366
Vital Statistics Registry					
Certificates Issued (all types)	34,033	33,168	34,414	38,657	45,538
Change of Name Processed	236	314	261	313	409
Amendments Processed	1,711	1,851	1,907	2,109	2,440
Vital Events Registered	17,124	17,399	17,253	17,126	18,567
Condominiums					
New Corporations	10	13	13	19	17
New Units Approved	218	306	321	553	248

Property Assessment Services

Service New Brunswick is responsible for property assessment, which is the valuation and classification of all real property in New Brunswick. Property assessment is a vital component in the processes of Real Property taxation and municipal financing.

The *Assessment Act* states that all property in the province is to be assessed at its real and true value (commonly known as market value) as of January 1 of the year for which the assessment is determined. Individual property assessments are then compiled to produce municipal and provincial assessment bases. These bases are shared with the Department of Environment and Local Government which produces the tax bases for each municipality, rural community and Local Service District in the province. Individual property assessments are also provided to the Department of Finance. These are then used – along with municipal and provincial property tax rates – to produce an annual property tax bill.

Property assessors are responsible for maintaining an inventory of all real property information as well as administering many property tax-related benefits. In 2012-2013, Property Assessment Services activities included re-inspections, sales analysis, new construction, market adjustments of assessed values, and appeals. This was supplemented by the following:

Modernizing the Technology

In November 2012, Service New Brunswick successfully implemented a web based application known as EvAN that replaced the legacy mainframe application known as PATS, implemented in 1984. The implementation of the EvAN system provides a technological foundation to move forward with new modernization initiatives.

Handling Inquiries and Appeals

Assessment and Tax Notices (property tax bills) are issued on March 1 of every year. If an owner is not satisfied with the assessed value of the property, they have the opportunity to submit a Request for Review within 30 days of the mailing of the tax bill. This is the first level of appeal in contesting the assessed value. An Assessor then inspects the property, reviews the concerns of the property owner, and renders a written decision as to whether any change to the assessment is warranted. The

assessor will generally rely on the sale of comparable properties in the determination of value. If a property owner is not satisfied with the decision, they have the opportunity to appeal the decision to the Assessment and Planning Appeal Board.

Annual Performance Measures

Property assessments in New Brunswick are based on mass appraisal techniques that are used world-wide. The following table provides the assessment and sale performance indicators confirming that assessed values are within the accepted international standards as established by the International Association of Assessing Officers (IAAO). The three indicators used are:

1. **Assessment to Sale Ratio:** an indication of how closely the assessed value reflects the market price, measured by comparing the current assessed value to the sale price.
2. **Coefficient of Dispersion:** a measure of uniformity that indicates whether assessment values within a jurisdiction are dispersed or clustered (a lower number indicates greater uniformity and consistency).
3. **Price Related Differential:** an indication of how closely assessment values relate to their selling price for properties with different price ranges (an indicator of 1.00 means that the ratio of assessed values to market prices is consistent for properties with high or low price ranges).

Service New Brunswick Assessment and Sale Performance Indicators

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Indicators	Assessment to Sale Ratio		Coefficient of Dispersion		Price Related Differential	
	Residential	Commercial	Residential	Commercial	Residential	Commercial
IAAO Standards	0.90-1.10	0.90-1.10	10-15	<20	0.98-1.03	0.98-1.03
2012	0.96	0.92	10.4	12.4	1.013	1.018
2011	0.94	0.92	11.0	12.7	1.014	1.026
2010	0.93	0.93	11.2	14.3	1.013	1.027
2009	0.94	0.91	11.1	14.4	1.015	1.059
2008	0.95	0.89	10.9	14.6	1.013	1.045
2007	0.95	0.92	10.1	14.8	1.013	1.042
2006	0.95	0.92	10.1	13.1	1.013	1.041
2005	0.95	0.89	10.6	19.2	1.015	1.056

Key highlights for the year:

- "Improving New Brunswick's property tax system: A White Paper" released in 2012, included three specific recommendations pertaining to Property Assessment Services: Assessment Gap Exemption, Assessment Spike Protection Mechanism and Process Improvements to address the root causes of assessment spikes.
- A high level Assessment Modernization Strategy aligned with government's direction was created to begin the process of reforming the assessment function to render it more equitable, transparent and accountable.
- The goal of attaining a ten-year residential and six-year commercial re-inspection cycle continues to be achieved. For 2012, in excess of 45,000 re-inspections were conducted.
- The following table summarizes the annual referral and appeal activity for years up to and including 2012.

Property Assessment Statistics

Tax Year	Number of Properties	Assessment Base (Billion \$)	Request for Review	% of Property Accounts	Appeals (Assessment and Planning Appeal Board)
2012	460,236	56.3	5,642	1.2%	247
2011	457,151	53.9	5,338	1.2%	187
2010	454,426	51.4	8,691	1.9%	258
2009	451,416	49.1	8,558	1.9%	214
2008	448,224	46.7	5,526	1.2%	174
2007	444,341	43.4	5,518	1.2%	155
2006	441,161	40.5	6,598	1.5%	250
2005	437,637	38.0	8,100	1.8%	189

Land Information Infrastructure

Service New Brunswick is the lead agency for coordination of base mapping and geomatics in New Brunswick.

The activities of the Land Information Infrastructure unit include:

- managing an inter-agency governance framework to facilitate collaboration on geomatics across the Government of New Brunswick;
- implementing inter-agency projects such as the development of provincial standards and data sets and creation of authoritative road, water and imagery data sets;
- developing a collaborative spatial data infrastructure with partners to accommodate storage and dissemination of geographic data and related applications;
- conducting education and outreach activities; and
- operating a geographic data and mapping download service.

Key highlights for the year:

In this fiscal year GeoNB grew to become a gateway for all geographic items. Launching of the website improved the organization of geographic data and applications and also replaced the data download service that was previously provided on the Geographic Data and Maps website. In recognition, GeoNB received the Award of Excellence from Esri Canada, a leading provider of Geographical Information solution. GeoNB continues to receive

approximately 120,000 visits per year and provides approximately 80,000 downloads of data annually.

In addition to the above major change:

- New map viewer applications were launched for:
 - Protected Natural Areas (Department of Natural Resources);
 - Herbicide Spray program (Department of Natural Resources);
 - New Provincial Electoral Districts (Elections NB);
 - Crown Angling Leases (Department of Natural Resources); and
 - Upgraded River Watch application (Department of Public Safety).
- The GeoNB Data Catalogue was launched with 35 datasets. Two additional datasets were subsequently added: National Railway Network (Natural Resources Canada) and Regional Service Commission Boundaries (Department of Environment and Local Government).
- An update to the New Brunswick Hydrographic Network was published.
- Preliminary versions of the New Brunswick Road Network were delivered and significant progress was made toward delivering the first publishable version.
- Google Analytics was implemented to improve the analysis of website statistics for GeoNB.

Legislation

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The following statutes are under the jurisdiction of Service New Brunswick:

General

- *Service New Brunswick Act*

Property Assessment

- *Assessment Act*
- *Residential Property Tax Relief Act*

Condominiums

- *Condominium Property Act*

Land Registry

- *Air Space Act*
- *Land Titles Act*
- *Registry Act*
- *Boundaries Confirmation Act*
- *Standard Forms of Conveyances Act*
- *Surveys Act*

Personal Property Registry

- *Personal Property Security Act*

Corporate Registry

- *Business Corporations Act*
- *Companies Act*
- *Corporations Act*
- *Foreign Resident Corporations Act*
- *Common Business Identifier Act*
- *Partnership Act*
- *Limited Partnership Act*
- *Partnerships and Business Names Registration Act*
- *Special Corporate Continuance Act*
- *Winding-up Act*

Vital Statistics Registry

- *Vital Statistics Act*
- *Marriage Act*
- *Change of Name Act*

Rentalsman

- *Residential Tenancies Act*



12 Official Languages

ANNUAL REPORT 2012-2013

Service New Brunswick recognizes its obligations and is committed to actively offering and providing quality services to the public in the public's official language of choice for all delivery channels.

During the 2012-2013 fiscal year, Service New Brunswick received a total of two complaints under the *Official Languages Act*. Both complaints were reviewed and addressed.

In the last fiscal year, one Service New Brunswick employee pursued second language training.

Public Interest Disclosure

The purpose of the *Public Interest Disclosure Act* is to:

- facilitate the disclosure and investigation of significant and serious matters in, or relating to, the public service that are potentially unlawful, dangerous to the public or injurious to the public interest; and
- protect persons who make those disclosures.

During the 2012-2013 fiscal year, Service New Brunswick did not receive nor act on any disclosures of wrongdoings under the *Public Interest Disclosure Act* and no investigations were commenced.

During the same fiscal year, no claim was referred to Service New Brunswick by the Ombudsman under section 23 of the *Public Interest Disclosure Act*. Therefore, no previous claim was acted on nor any investigation commenced during that same period.

Strategic Direction 2010-2013

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In 2012-2013, Service New Brunswick was among the first wave of government organizations to adopt the Government of New Brunswick's Performance Excellence Process ("PEP"). The process applies balanced scorecard and continuous improvement methodologies to strategically align all organizations within Government. This will ensure that the Corporation's objectives, performance measures and priority actions all support and contribute to the Government of New Brunswick 2015 vision of "a stronger economy and an enhanced quality of life, while living within our means".

Although 2012-2013 was to be the third year of Service New Brunswick's three-year strategic planning cycle, adopting PEP resulted in the commencement of a new three-year planning cycle. Service New Brunswick's strategic progress and balanced scorecard results are reviewed by the Board of Directors and Executive Council Office quarterly.

Overall, 2012-2013 results were positive with progress made in virtually all areas. Three new process improvement facilitators were trained in Lean Six Sigma methodology, which allowed for increased effort in continuous improvement over the past year. Lean Six Sigma process improvement projects were successfully undertaken in various parts of the organization including, Customer Care, TeleServices, Property Assessment Services and Office of the Rentalsman, generating \$221,000 in savings. Initiatives undertaken in these areas focused on improving efficiency resulting in greater financial sustainability, while maintaining or improving service to customers. They ranged from reducing the time it takes to complete a property assessment review to enhancing efficient distribution of behind-the-scenes work among service centre employees.

In addition, 17 managers were trained in waste walk methodology, which allowed them to search for wasteful activities in everyday processes and provided strategies to tackle these inefficiencies. There were a total of 54 waste walks conducted, resulting in efficiencies for internal and external customers.

Additional strategic initiatives reduced overall service times, increased customer satisfaction results and contributed to a reduction in absenteeism.

14 Financial Statements

Discussion and Analysis

The Financial Statement Discussion and Analysis document presents management's commentary on the financial position of Service New Brunswick, and is meant to be used as supporting information to the March 31, 2013 audited financial statements. This discussion highlights key features of the financial statements and provides additional information and perspectives that go beyond the 12 months covered by the statements themselves.

Overview of the Financial Statements

Service New Brunswick's Financial Statements have been prepared in accordance with Canadian Generally Accepted Accounting Principles (GAAP) for public sector entities. These statements consist of:

- A Statement of Financial Position
- A Statement of Operations
- A Statement of Changes in Net Financial Assets (Debt)
- A Statement of Cash Flows
- Notes to the Financial Statements

The Statement of Financial Position can be used to determine the level of an entity's indebtedness, the degree to which it possesses liquid assets to settle its obligations, and its investments in capital assets. This information allows the reader to ascertain the amount of resources that an entity has at its disposal, the financial obligations that it must meet, and the resulting effectiveness with which the organization can fulfill its mandate.

The Statement of Operations provides information on the financial impact that the entity's operations have had over the course of the year in question.

The Statement of Changes in Net Financial Assets (Debt) allows readers to see the combined effect of changes to an entity's non-financial assets on its Financial Position.

The Statement of Cash Flows allows readers to see the activities that either used or generated cash over the course of the year in question.

Notes to the Financial Statements provide readers with further detail on the events and activities documented in the Financial Statements.

Significant Financial Variances

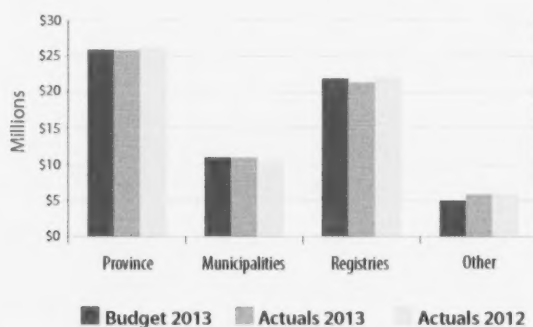
The following table compares 2012-2013 performance to 2011-2012 performance, as well as to budgeted figures for 2012-2013.

Financial Statement Analysis For the year ended March 31 STATEMENT OF OPERATIONS

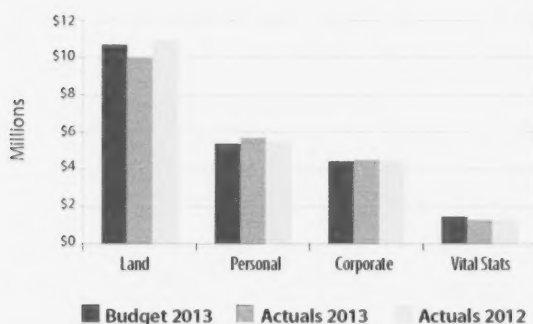
	Budget 2013 (Unaudited)	Actuals 2013	Actuals 2012	Actuals Difference	Budget Difference
Revenues					
Provincial services	25,838,184	25,853,462	26,223,125	(369,663)	15,278
Municipal services	10,932,061	10,932,061	10,424,370	507,691	-
Registry services	21,853,397	21,445,748	22,092,711	(646,963)	(407,649)
Products and Services	4,469,745	4,836,585	5,102,600	(266,015)	366,840
Interest	500,000	931,709	789,566	142,143	431,709
Contributed capital	-	27,482	-	27,482	27,482
Salary recoveries	-	17,006	21,890	(4,884)	17,006
Other	6,400	2,500	6,646	(4,146)	(3,900)
TOTAL REVENUE	63,599,787	64,046,553	64,660,909	(614,356)	446,766
Expenses					
Personnel services	41,397,364	39,564,146	38,829,573	734,573	(1,833,218)
Space and equipment	7,319,307	6,833,017	5,588,584	1,244,433	(486,290)
Communications and computer services	6,212,997	6,327,202	6,223,313	103,889	114,205
Professional services	3,067,628	2,416,780	3,561,837	(1,145,057)	(650,848)
Amortization	2,855,051	2,888,438	3,285,140	(396,702)	33,387
Travel and meetings	1,294,321	1,042,282	1,077,757	(35,475)	(252,039)
Materials and supplies	1,029,095	682,509	802,217	(119,708)	(346,586)
Furniture and equipment	185,416	128,497	493,191	(364,694)	(56,919)
Other	238,608	344,406	231,431	112,975	105,798
TOTAL EXPENSE	63,599,787	60,227,277	60,093,043	134,234	(3,372,510)
ANNUAL SURPLUS (DEFICIT)	-	3,819,276	4,567,866	(748,590)	3,819,276

Revenue Variances

Total revenue for 2012-2013 is \$0.4M more than budgeted due to an unexpected increase in revenues associated with products and services, and interest income, but is \$0.6M lower than in 2011-2012. Most of the drop in revenue can be attributed to decreases in registry revenue, and to a lesser extent, a reduction in provincial funding.

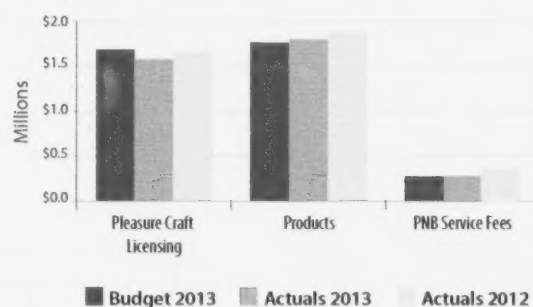


Registry Services - Registry revenue declined by \$0.6M in 2012-2013. This drop is largely due to a decrease in the amount of land registrations. The performance of the land registry is heavily dependent on the strength of the economy, and the degree to which consumers are selling and purchasing real property.

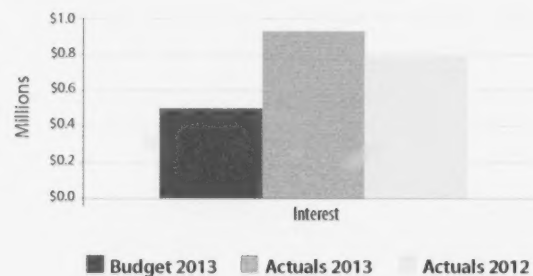


Products and Services - Revenues derived from products and services fared better than expected in 2012-2013. These revenues are mainly derived from two sources: the sale of a variety of products, mainly geographic information, and the provision of customer services on behalf of provincial departments, the federal government, municipalities and utilities. A significant portion of the \$0.3M drop from previous year is due to decreased activity in the Pleasure Craft Licensing registry which is operated on behalf of Transport Canada. Much like the land registry, activity in

pleasure craft licensing varies with fluctuations in the economy. A decrease in the sale of products (largely digital data) and a decrease in revenues associated with government service delivery also contributed to the \$0.3M decrease in revenue.

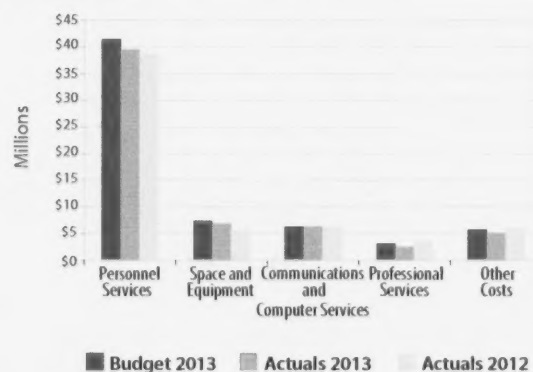


Interest - Interest revenues exceeded budget expectations by \$0.4M. Growth in interest income is contingent upon the performance of the securities markets. The current investment strategy continues to yield higher rates of return and growth in investment income.

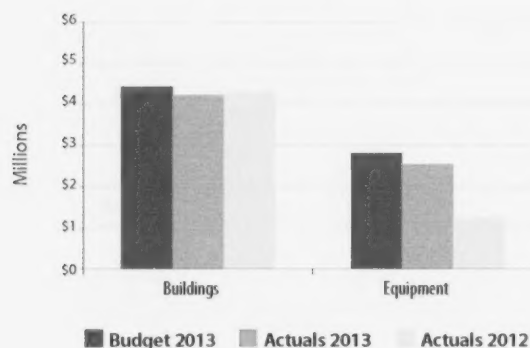


Expense Variances

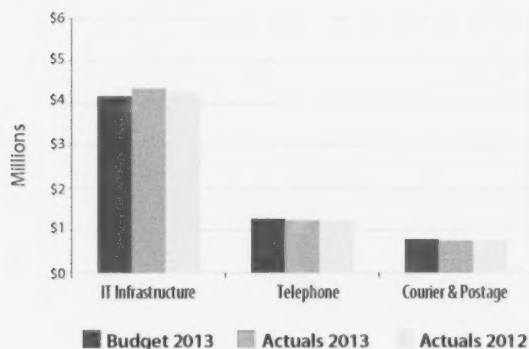
Total expenses for 2012-2013 are \$3.4M less than budgeted, and \$0.1M more than total expenditures in 2011-2012.



Space and Equipment - This category includes costs related to building and equipment leases and maintenance. These costs are \$0.5M lower than budgeted and \$1.2M higher than previous year. The bulk of the increase in costs from prior year is due to software maintenance expense, which is now reflected under this category instead of *Professional services*. This change was made to segregate IT maintenance costs from other IT consulting costs. Additionally, investments in new systems last year increased the suite of applications that have to be maintained (e.g. the modernized assessment system - EvAN).

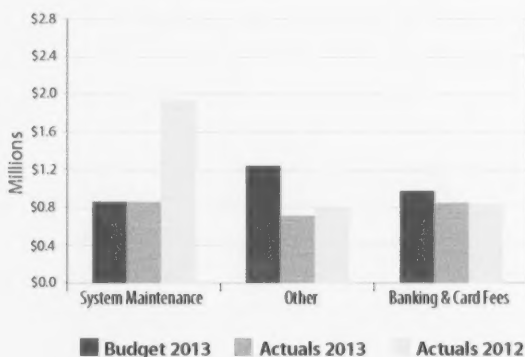


Communications and Computer Services - This is comprised of IT infrastructure costs, telephone charges and postage. These costs are in line with anticipated levels, and are comparable to those incurred in 2011-2012.

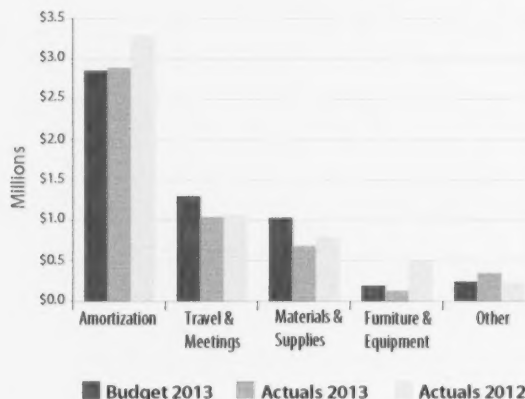


Professional Services - Professional services include consulting, project management, translation, board member per diems, audit and legal fees. Also included in this category are credit card discount and banking fees as well as Work Safe New Brunswick administrative fees. Professional services costs are \$0.7M lower than budgeted and

\$1.1M lower than 2011-2012 costs. Adjustments to deadlines in project development account for the difference in actuals as compared to budgeted costs. The difference in prior year is a result of coding changes - system maintenance costs were previously reflected in the *Professional services* category.



Other Costs - Other Costs include amortization, expenditures for travel and meetings, materials and supplies, and furniture and equipment. Amortization, which accounts for approximately half of the costs in this category, is \$0.4M lower than previous year. This is due to the fact that some of the systems used in the provision of service delivery have been fully depreciated as of 2012-2013, which resulted in a decrease in costs. Though fully depreciated, these systems are still operational. Furniture and equipment costs are \$0.4M less than costs incurred in 2011-2012 because they are now annualized. Efficiencies through expenditure restraint were realized in travel and meetings as well as materials and supplies. Other expenses were higher due to increased printing costs.



Risks and Other Dependencies

The Enterprise Risk Management Policy at Service New Brunswick outlines a framework of objectives and processes to ensure risk management is integrated throughout the Corporation on a consistent and continuous basis. Some of the key risks that have been identified for Service New Brunswick are:

Financial Restraints and Economic Climate

The current economic climate and fiscal realities may cause some revenue streams to decline while some operating costs continue to rise. Budgeting and forecasting processes monitor and react to changes in revenues and expenditures throughout the year.

Priorities

Emergency situations or changes in our external environment, such as client needs, can result in initiatives being introduced any point during the year which could impact Service New Brunswick's ability to meet business plan objectives. The Corporation has processes in place to allow for the reallocation of resources to implement in-year initiative(s) and to adjust priorities.

Security Breach

There are an increasing number of security threats in today's world of information technology and any breach could be challenging to manage. Service New Brunswick continuously monitors its systems for threats and weaknesses and has designated employees who are responsible for privacy and information security on a daily basis.

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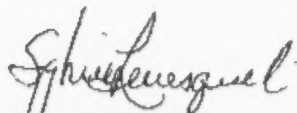
Management Report

ANNUAL REPORT 2012-2013

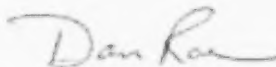
The preparation of financial information is an integral part of management's responsibilities and the accompanying financial statements are the responsibility of the management of the Corporation. This responsibility includes the selection of appropriate accounting policies and making judgments and estimates consistent with generally accepted accounting principles in Canada.

The Corporation maintains an accounting system and related controls to provide management and the Board of Directors with reasonable assurance that transactions are executed and recorded as authorized, that assets are properly safeguarded and accounted for, and that financial records are reliable for the preparation of financial statements in accordance with Canadian public sector accounting standards.

It is the responsibility of the Board of Directors to oversee management's performance of its financial reporting responsibilities and to review and approve the financial statements. It is assisted in its responsibilities by the Audit Committee. This committee reviews and recommends approval of the financial statements, and meets periodically with management and the external auditors concerning internal controls and matters related to financial reporting. Upon the recommendation of the Audit Committee, these financial statements are approved by the Board of Directors.



Sylvie Levesque-Finn
President



Dan Rae, CGA
Chief Financial Officer

Fredericton, N.B., Canada
June 25, 2013

Independent Auditors' Report

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ANNUAL REPORT 2012-2013

To the Members of the Board of Directors Service New Brunswick

We have audited the accompanying financial statements of **Service New Brunswick**, which comprise the statement of financial position as at March 31, 2013, and the statements of operations, changes in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Service New Brunswick as at March 31, 2013, and the results of its operations, the changes in its net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Saint John, Canada
June 25, 2013.

Ernst & Young LLP
Chartered Accountants

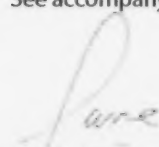
STATEMENT OF FINANCIAL POSITION

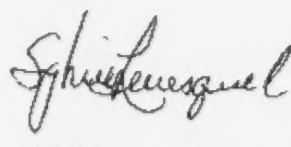
As at March 31

ANNUAL REPORT 2012-2013

	2013	2012
FINANCIAL ASSETS		
Cash and cash equivalents	\$ 22,576,567	\$ 17,611,102
Short-term investments	4,000,000	4,000,000
Restricted assets (Note 5)	18,120,894	19,426,052
Accounts receivable (Note 6)	2,472,663	2,578,378
Long-term investments	16,000,000	16,000,000
	63,170,124	59,615,532
LIABILITIES		
Accounts payable and accrued liabilities (Note 8)	\$ 5,187,088	\$ 5,747,801
Partner liabilities (Note 9)	13,299,330	14,824,859
Deferred receipts	964,385	898,007
Land titles assurance (Note 10)	4,821,564	4,601,193
Retirement allowance (Note 11b)	4,622,230	3,874,400
Early retirement incentive (Note 11c)	1,172,100	1,110,700
Sick leave (Note 11d)	3,353,100	3,217,500
	33,419,797	34,274,460
NET FINANCIAL ASSETS	\$ 29,750,327	\$ 25,341,072
NON FINANCIAL ASSETS		
Prepaid expenses	\$ 1,123,999	\$ 1,470,336
Tangible capital assets (Note 7)	15,755,262	15,998,904
	16,879,261	17,469,240
ACCUMULATED SURPLUS	\$ 46,629,588	\$ 42,810,312

Lease Commitments (Note 12)
See accompanying notes


Luc St-Jarre
Chairperson


Sylvie Levesque-Finn
President

STATEMENT OF OPERATIONS

For the year ended March 31

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ANNUAL REPORT 2012-2013

	Budget 2013 (Unaudited)	Actuals 2013	Actuals 2012
Revenues (Schedule 1)			
Provincial services	\$ 25,838,184	\$ 25,853,462	\$ 26,223,125
Municipal services	10,932,061	10,932,061	10,424,370
Registry services	21,853,397	21,445,748	22,092,711
Products and services	4,469,745	4,836,585	5,102,600
Interest	500,000	931,709	789,566
Contributed capital	-	27,482	-
Salary recoveries	-	17,006	21,890
Other	6,400	2,500	6,646
TOTAL REVENUE	63,599,787	64,046,553	64,660,909
Expenses (Schedule 1)			
Personnel services	41,397,364	39,564,146	38,829,573
Space and equipment services	7,319,307	6,833,017	5,588,584
Communications and computer services	6,212,997	6,327,202	6,223,313
Professional services	3,067,628	2,416,780	3,561,837
Amortization	2,855,051	2,888,438	3,285,140
Travel and meetings	1,294,321	1,042,282	1,077,757
Materials and supplies	1,029,095	682,509	802,217
Furniture and equipment	185,416	128,497	493,191
Other	238,608	344,406	231,431
TOTAL EXPENSE	63,599,787	60,227,277	60,093,043
ANNUAL SURPLUS	-	3,819,276	4,567,866
Opening Accumulated Surplus		42,810,312	38,242,446
Ending Accumulated Surplus	\$ -	\$ 46,629,588	\$ 42,810,312

See accompanying notes

STATEMENT OF CHANGES IN NET FINANCIAL ASSETS (DEBT)

For the year ended March 31

ANNUAL REPORT 2012-2013

	Budget 2013 (Unaudited)	Actuals 2013	Actuals 2012
ANNUAL SURPLUS	\$ -	\$ 3,819,276	\$ 4,567,866
Acquisition of tangible capital assets	(3,416,000)	(2,684,281)	(3,370,943)
Amortization of tangible capital assets	2,855,051	2,888,438	3,285,140
Write-downs of tangible capital assets	-	39,485	-
	(560,949)	243,642	(85,803)
Acquisition of prepaid expenses	\$ -	\$ (1,123,999)	\$ (1,470,336)
Use of prepaid expenses	-	1,470,336	1,125,068
	-	346,337	(345,268)
Increase (decrease) in financial assets	(560,949)	4,409,255	4,136,795
Net financial assets at beginning of year	25,341,072	25,341,072	21,204,277
Net financial assets at end of the year	\$ 24,780,123	\$ 29,750,327	\$ 25,341,072

See accompanying notes

STATEMENT OF CASH FLOWS

For the year ended March 31

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ANNUAL REPORT 2012-2013

	2013	2012
Cash and cash equivalents generated by (used in):		
Operating Transactions		
Annual surplus	\$ 3,819,276	\$ 4,567,866
Amortization	2,888,438	3,285,140
Deferred employee benefits	944,830	384,878
Write-downs of tangible capital assets	39,485	-
	7,692,029	8,237,884
Changes in non-cash working capital balances:		
Accounts receivable	105,715	(133,205)
Prepaid expenses	346,337	(345,268)
Accounts payable and accrued liabilities	(560,713)	1,330,323
Deferred receipts	66,378	585,571
	7,649,746	9,675,304
Capital Transactions		
Additions to equipment	(684,093)	(543,376)
Additions to leaseholds	(159,822)	(519,729)
Additions to system development	(7,855,422)	(1,347,295)
Net changes in work in process	6,015,056	(960,543)
	(2,684,281)	(3,370,943)
Investing Transactions		
Purchase of long-term investment certificates	(4,000,000)	(16,000,000)
Maturity of long-term investment certificates	4,000,000	-
Conversion of long-term investments to short-term	(4,000,000)	-
Maturity of short-term investments	4,000,000	6,000,000
	-	(10,000,000)
Net increase (decrease) in cash during the year	4,965,465	(3,695,639)
Cash and cash equivalents, beginning of year	17,611,102	21,306,741
Cash and cash equivalents, end of year	\$ 22,576,567	\$ 17,611,102

See accompanying notes

1. Service New Brunswick

Service New Brunswick (hereafter referred to as "the Corporation") is a non-taxable Crown Corporation established under the *Service New Brunswick Act* (hereafter referred to as "the Act"). Its mission is providing excellence in the delivery of government services to citizens and businesses.

The Corporation has no share capital and the Act does not provide for this. However, the Act does stipulate that any profits may be appropriated by the Crown at the discretion of the Minister of Finance. The Corporation is not subject to any externally imposed capital requirements, and has the ability to borrow funds when necessary.

2. Accounting Policies**General**

The Corporation follows Canadian Public Sector Accounting (PSA) standards.

Cash and cash equivalents

Cash and cash equivalents include cash on hand and short-term, highly liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of changes in value.

Financial instruments and comprehensive income

Section 3450 of the PSA accounting standards requires that the Corporation designate its financial instruments into one of two measurement categories (i) at fair value (ii) at cost or amortized cost. All financial instruments are to be initially measured at fair value. Financial instruments classified as at fair value are subsequently measured as such, with any subsequent change recorded as revenue.

The Corporation designates its financial instruments as follows:

- a. Cash and cash equivalents and restricted assets are classified as at fair value. Due to the nature and/or short-term maturities of these financial instruments, carrying value approximates fair value.
- b. Accounts receivable and partner receivables are classified as at "cost or amortized cost". After their initial fair value measurement, they are measured at amortized cost using the effective interest rate method. For the Corporation, the carrying value approximates fair value.
- c. Accounts payable and accrued liabilities, and partner liabilities are classified as at "cost or amortized cost". Initial measurement is at fair value. Subsequently, they are measured at amortized cost using the effective interest rate method. For the Corporation, the carrying value approximates fair value.

Restricted assets

Management has segregated cash and receivables equal to the amount of Partner Liabilities (Note 9) and the amount accumulated under Land Titles Assurance (Note 10).

Tangible capital assets

Investments in information systems and databases and in physical assets having a value of \$5,000 or greater are capitalized and written off to income in accordance with the amortization policy.

Revenue recognition

Revenue is recognized on an accrual basis as earned with an offset, in the case of Corporate Registry annual filing, for fees from businesses likely to be inactive. Amounts deemed receivable but uncollectable are recognized as bad debt expense.

Pension expense

The Corporation's employees are part of a multi-employer defined benefit plan, and accordingly, only current-year contributions are expensed.

Amortization

Amortization is computed on a straight-line basis on original cost with rates as follows:

Databases and systems	depending on estimated useful life, up to 15 years
Furniture	10 years
Leasehold improvements	duration of lease up to 10 years
Equipment	5 years
Computers and software	4 years

Measurement uncertainty

The preparation of financial statements in accordance with Canadian PSA standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

3. Financial Instrument Risk

The reported values of financial instruments, which comprise cash and cash equivalents, accounts receivable, partner receivables, accounts payable and accrued liabilities, and partner liabilities, approximates fair value due to the short-term maturities of these instruments. The Corporation is not subject to significant interest rate or credit risks arising from these instruments.

Potential credit risk related to accounts receivable is low due to the fact that a significant portion of the receivable balance is due from federal or provincial government entities.

Interest income is subject to interest rate fluctuations. A change of 1% would affect interest income by an amount of approximately \$300,000.

4. Related Entity Transactions

The Corporation is solely owned by the Province of New Brunswick. The Statement of Financial Position contains the following related entity amounts:

	2013	2012
Accounts receivable	\$ 528,439	\$ 282,965
Accounts payable	1,014,265	1,178,148
Net owed by the Corporation	\$ (485,826)	\$ (895,183)

The Statement of Operations contains the following related entity amounts:

	2013	2012
Revenue	\$ 39,191,368	\$ 37,447,399
Expenses	3,238,861	3,426,325
Net Revenue	\$ 35,952,507	\$ 34,021,074

5. Restricted Assets

Restricted assets are comprised of the following amounts:

	2013	2012
Partner cash and receivables (Note 9)	\$ 13,299,330	\$ 14,824,859
Land titles assurance cash (Note 10)	4,821,564	4,601,193
	\$ 18,120,894	\$ 19,426,052

6. Accounts Receivable

2013			
	Accounts Receivable	Allowance for Doubtful Accounts	Net
Current			
Trade	\$ 856,603	\$ 4,004	\$ 852,599
HST rebate	333,538	-	333,538
Province of New Brunswick	528,439	-	528,439
Corporate registry	182,617	19,313	163,304
Employee computer loans	45,207	-	45,207
Accrued interest	549,576	-	549,576
	\$ 2,495,980	\$ 23,317	\$ 2,472,663

2012			
	Accounts Receivable	Allowance for Doubtful Accounts	Net
Current			
Trade	\$ 1,027,417	\$ 8,813	\$ 1,018,604
HST rebate	605,910	-	605,910
Province of New Brunswick	282,965	-	282,965
Corporate registry	184,531	23,471	161,060
Employee computer loans	128,179	-	128,179
Accrued interest	381,660	-	381,660
	\$ 2,610,662	\$ 32,284	\$ 2,578,378

The Corporation's trade accounts receivable do not represent a significant concentration of credit risk because the accounts are owed by a large number of organizations on normal credit terms. Most other receivables are deemed collectable because of the nature of the debtor or the transactions.

7. Tangible Capital Assets

2013								
	Computers and software	Furniture and equipment	Total equipment	Leasehold improvements	Work in process (Leaseholds)	Systems	Work in process (Systems)	Total
Estimated Useful Life (Years)	0-4	0-10		0-10		0-15		
Cost \$								
Opening Cost	5,692,454	1,406,159	7,098,613	4,589,484	-	40,056,936	6,685,259	58,430,292
Additions	684,093	-	684,093	159,822	67,789	7,855,422	294,515	9,061,641
Disposals	-	-	-	(57,467)	-	-	-	(57,467)
Completions	-	-	-	-	-	-	(6,377,360)	(6,377,360)
Closing Costs	6,376,547	1,406,159	7,782,706	4,691,839	67,789	47,912,358	602,414	61,057,106
Accumulated Amortization								
Opening accumulated amortization	4,681,195	1,327,583	6,008,778	3,356,678	-	33,065,932	-	42,431,388
Amortization expense	552,715	25,995	578,710	302,778	-	2,006,950	-	2,888,438
Disposals	-	-	-	(17,982)	-	-	-	(17,982)
Closing accumulated amortization	5,233,910	1,353,578	6,587,488	3,641,474	-	35,072,882	-	45,301,844
Net Book Value \$	1,142,637	52,581	1,195,218	1,050,365	67,789	12,839,476	602,414	15,755,262

2012							
	Computers and software	Furniture and equipment	Total equipment	Leasehold improvements	Work in process (Leaseholds)	Work in process (Systems)	Total
Estimated Useful Life (Years)	0-4	0-10		0-10		0-15	
Cost \$							
Opening Cost	5,157,344	1,397,893	6,555,237	4,069,755	-	38,709,641	55,059,349
Additions	535,110	8,266	543,376	519,729	-	1,347,295	4,410,636
Disposals	-	-	-	-	-	-	-
Completions	-	-	-	-	-	(1,039,693)	(1,039,693)
Closing Costs	5,692,454	1,406,159	7,098,613	4,589,484	-	40,056,936	58,430,292
Accumulated Amortization							
Opening accumulated amortization	4,062,881	1,282,751	5,345,632	3,025,459	-	30,775,156	39,146,248
Amortization expense	618,314	44,832	663,146	331,219	-	2,290,775	3,285,140
Disposals	-	-	-	-	-	-	-
Closing accumulated amortization	4,681,195	1,327,583	6,008,778	3,356,678	-	33,065,932	42,431,388
Net Book Value \$	1,011,259	78,576	1,089,834	1,232,806	-	6,991,004	15,998,904

8. Accounts Payable And Accrued Liabilities

	2013	2012
Current		
Trade	\$ 3,273,771	\$ 3,609,696
Salary and benefit accruals	818,249	878,609
Payroll deductions	80,803	81,348
Province of New Brunswick	1,014,265	1,178,148
	\$ 5,187,088	\$ 5,747,801

9. Partner Liabilities

The Corporation collects cash on behalf of the Province of New Brunswick ("the Province") and other business partners. The following amounts were payable to the Province and other partners at year-end.

Provincial receivables are short-term accounts which are collected from provincial clients and, subsequently, remitted to the Province. Efficiency NB receivables are interest-free loans issued to members of the public to finance energy efficiency improvements to their homes. These loans are administered by the Corporation on behalf of Efficiency NB and can have repayment terms of up to six years. They carry no risk to the Corporation.

2013			
	Cash	Receivables	Total
Efficiency NB	\$ (267,915)	\$ 4,975,666	\$ 4,707,751
Other provincial	5,638,700	348,558	5,987,258
Other partners	2,604,321	-	2,604,321
	\$ 7,975,106	\$ 5,324,224	\$ 13,299,330

2012			
	Cash	Receivables	Total
Efficiency NB	\$ (904,661)	\$ 7,789,311	\$ 6,884,650
Other provincial	5,469,306	858,850	6,328,156
Other partners	1,612,053	-	1,612,053
	\$ 6,176,698	\$ 8,648,161	\$ 14,824,859

10. Land Titles Assurance

Under the *Land Titles Act*, the Province guarantees title to real property registered under Land Titles. The Corporation has established a charge, based on an actuarial estimate, to provide for a fund to cover potential claims pertaining to indemnification pursuant to the *Land Titles Act*. An assurance fee of \$3.00 is charged for each registration in the Land Titles registry.

	2013	2012
Opening balance	\$ 4,601,193	\$ 4,303,826
Assurance fees collected	272,838	297,367
Less: claims	(52,467)	-
Ending balance	\$ 4,821,564	\$ 4,601,193

11. Employee Future Benefits

- a. Regular employees of the Corporation are covered by the Public Service Superannuation Plan of the Province of New Brunswick. The Superannuation Plan is a defined benefit multi-employer plan under which contributions are made by both the Corporation and the employees. For the year ended March 31, 2013, the Corporation expensed contributions in the amount of \$2,252,129 under the terms of the plan. The comparable amount for the year ended March 31, 2012 totalled \$2,208,305. The Corporation has no direct liability or entitlement to any unfunded liability or surplus in the plan related to its current or former employees.
- b. Regular employees of the Corporation are entitled to a paid retirement allowance prior to their retirement based upon years of service. Using the 2013 valuation, the Corporation has determined the accrued actuarial obligation for this benefit to be \$4,813,000 as at March 31, 2013. At the end of this fiscal year, the Corporation had recorded a total liability of \$4,622,230 (2012 - \$3,874,400).

	2013	2012
Accrued benefit obligation		
Beginning balance	\$ 4,118,000	\$ 3,861,100
Current service cost	346,200	343,900
Interest cost on obligation	147,200	174,700
Curtailment costs	365,800	-
Benefit payments	(218,100)	(353,400)
Experience loss	53,900	91,700
Accrued benefit obligation	\$ 4,813,000	\$ 4,118,000
Reconciliation of accrued benefit obligation to accrued benefit liability		
Accrued benefit obligation	\$ 4,813,000	\$ 4,118,000
Unamortized actuarial losses	(136,870)	(151,900)
Experience loss during period	(53,900)	(91,700)
Accrued benefit liability	\$ 4,622,230	\$ 3,874,400
Accrued benefit liability		
Opening balance	\$ 3,874,400	\$ 3,697,500
Retirement allowance expense	965,930	530,300
Benefit payments	(218,100)	(353,400)
Ending balance	\$ 4,622,230	\$ 3,874,400

This estimate is based on current service cost of 1.19% of payroll and an annual discount rate of 3.39%. The transitional obligation related to the retirement allowance is amortized on a straight-line basis over the estimated remaining service period of the employees that participate in the plan (thirteen years).

- c. The Corporation incurred a liability related to an early retirement incentive offered to employees, including those of the Corporation, by the Province of New Brunswick in the year ended March 31, 1996. The amount of the obligation and expense recorded is equal to the actuarial reduction that

the employee would have otherwise had to forego, were it not for the fact that the Province waived this penalty for eligible employees. The Corporation annually reduces the recorded obligation by the amount it remits to the Province, and annually increases the obligation to match the actuarially determined estimate of the obligation. The estimate is based on an annual discount rate of 3.39%. The benefit obligation amounted to \$1,172,100 at March 31, 2013 and \$1,110,700 as at March 31, 2012.

- d. Regular employees of the Corporation are entitled to sick leave benefits which accrue, but do not vest. Using the 2013 valuation, the Corporation has determined the accrued actuarial obligation for this benefit to be \$3,644,500 as at March 31, 2013. At the end of this fiscal year, the Corporation had recorded a total liability of \$3,353,100 (2012 - \$3,217,500).

	2013	2012
Accrued benefit obligation		
Beginning balance	\$ 3,497,100	\$ 3,146,400
Current service cost	431,100	388,800
Interest cost on obligation	123,000	142,200
Benefit payments	(437,100)	(403,200)
Experience loss	30,400	222,900
Accrued benefit obligation	\$ 3,644,500	\$ 3,497,100
Reconciliation of accrued benefit obligation to accrued benefit liability		
Accrued benefit obligation	\$ 3,644,500	\$ 3,497,100
Unamortized actuarial losses	(291,400)	(56,700)
Experience loss during period	-	(222,900)
Accrued benefit liability	\$ 3,353,100	\$ 3,217,500
Accrued benefit liability		
Opening balance	\$ 3,217,500	\$ 3,085,700
Sick leave expense	572,700	535,000
Benefit payments	(437,100)	(403,200)
Ending balance	\$ 3,353,100	\$ 3,217,500

This estimate is based on an annual discount rate of 3.39%.

12. Lease Commitments

Future minimum payments for leased premises and equipment for the next five years and thereafter are outlined in the following list:

2014	\$ 3,440,084
2015	2,869,431
2016	2,458,675
2017	1,685,032
2018	1,300,013
Thereafter	2,426,014
	\$ 14,179,249

SCHEDULES TO FINANCIAL STATEMENTS

For the year ended March 31, 2013

Schedule 1 – Statement of Operations by Segment

	Executive				
	Administration	Corporate	Operations	Total	
REVENUES					
Provincial services	\$ -	\$ -	\$ 25,853,462	\$ 25,853,462	
Municipal services	-	-	10,932,061	10,932,061	
Registry services	-	-	21,445,748	21,445,748	
Products and services	-	-	4,836,585	4,836,585	
Interest	-	931,709	-	931,709	
Contributed capital	-	27,482	-	27,482	
Salary recoveries	-	-	17,006	17,006	
Other	-	-	2,500	2,500	
Total revenue	\$ -	\$ 959,191	\$ 63,087,362	\$ 64,046,553	
EXPENSES					
Personnel services	\$ 360,531	\$ 6,631,902	\$ 32,571,713	\$ 39,564,146	
Space & equipment services	1,607	4,032,573	2,798,837	6,833,017	
Communications and computer services	6,763	98,962	6,221,477	6,327,202	
Professional services	59,956	1,116,992	1,239,832	2,416,780	
Amortization	-	309,609	2,578,829	2,888,438	
Travel and meetings	33,926	65,471	942,885	1,042,282	
Materials and supplies	1,976	66,103	614,430	682,509	
Furniture and equipment	205	11,982	116,310	128,497	
Other	1,216	243,184	100,006	344,406	
Total expense	466,180	12,576,778	47,184,319	60,227,277	
Annual Surplus (Deficit)	\$ (466,180)	\$ (11,617,587)	\$ 15,903,043	\$ 3,819,276	

Schedule 2 - Systems Development

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ANNUAL REPORT 2012-2013

2013			
	Cost	Accumulated Amortization	Net
Personal Property Registration	\$ 5,162,166	\$ 5,162,166	\$ -
PLANET	9,406,689	8,573,170	833,519
Customer Service Systems	6,718,690	6,697,658	21,032
Property Mapping	1,018,040	1,018,040	-
Enterprise Resource Planning	2,336,578	2,336,578	-
Business Registry	3,518,925	3,091,927	426,998
Infrastructure	7,035,908	6,084,596	951,312
E-Services	1,164,097	692,573	471,524
Rentalsman	274,157	79,994	194,163
Land Information	319,504	95,851	223,653
Vitals Statistics	200,881	86,474	114,407
Historical Documents	1,554,446	657,433	897,013
Licensing & Permitting	872,315	33,613	838,702
Identity & Access Management	1,287,772	257,554	1,030,218
EVAN	7,042,190	205,255	6,836,935
	\$ 47,912,358	\$ 35,072,882	\$ 12,839,476

2012			
	Cost	Accumulated Amortization	Net
Personal Property Registration	\$ 5,162,166	\$ 5,162,166	\$ -
PLANET	9,406,689	8,303,834	1,102,855
Customer Service Systems	6,718,690	6,668,800	49,890
Property Mapping	1,018,040	1,018,040	-
Enterprise Resource Planning	2,336,578	2,310,224	26,354
Business Registry	3,518,925	2,765,990	752,935
Infrastructure	7,035,908	5,446,444	1,589,464
E-Services	1,164,097	576,163	587,934
Rentalsman	274,157	52,578	221,579
Land Information	319,504	63,901	255,603
Vitals Statistics	200,881	66,385	134,496
Historical Documents	1,554,446	502,668	1,051,778
Licensing & Permitting	59,620	16	59,604
Identity & Access Management	1,287,235	128,723	1,158,512
	\$ 40,056,936	\$ 33,065,932	\$ 6,991,004

